

COMMONWEALTH OF VIRGINIA

SIDNEY A. BAILEY
COMMISSIONER OF FINANCIAL INSTITUTIONS



STATE CORPORATION COMMISSION BUREAU OF FINANCIAL INSTITUTIONS

October 25, 1991

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TO THE PERSON/COMPANY ADDRESSED

As a result of corrections made by a consumer finance licensee to its 1989 and 1990 annual reports submitted to this Bureau, it was necessary to make appropriate corrections to the Bureau's annual reports for consumer finance licensees. The enclosed pages 23, 24, and 27 for 1989, and pages 19, 20, and 23 for 1990 embody the necessary corrections. These pages should be inserted in the respective Supplement to the Annual Report of the Bureau of Financial Institutions - Consumer Finance Licensees.

If there are any questions, you may contact me or Paula Richardson at (804) 786-4690.

Very truly yours,

Nicholas C. Kyrus
Deputy Commissioner

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addendum

CHAIN COMPANIES
INCOME STATEMENT
YEAR ENDING DECEMBER 31, 1989

	CONSUMER FINANCE BUSINESS	OTHER BUSINESS	TOTAL BUSINESS
INCOME			
Charges collected or earned	\$ 94,878,068	\$124,661,243	\$219,539,311
Insurance income recognized by licensee	1,565,547	665,418	2,230,965
Insurance income recognized by affiliate ¹	11,616,146	4,824,863	16,441,009
Other income	1,583,833	1,671,715	3,255,548
TOTAL INCOME	<u>\$109,643,594</u>	<u>\$131,823,239</u>	<u>\$241,466,833</u>
EXPENSES			
Advertising	\$ 3,201,854	\$ 2,768,591	\$ 5,970,445
Auditing	7,742	25,739	33,481
Provision for possible loan losses	18,171,772	9,032,692	27,204,464
Depreciation and amortization	717,002	970,577	1,687,579
Insurance and fidelity bonds	245,486	376,650	622,136
Legal fees and disbursements	261,939	569,556	831,495
Postage, printing, stationery and supplies	1,448,379	1,535,972	2,984,351
Rent, janitorial services and utilities	3,023,795	3,052,718	6,076,513
Salaries of officers, owners and partners	324,286	228,296	552,582
Salaries of all other employees	12,558,470	14,612,633	27,171,103
Taxes (other than income)	651,270	908,583	1,559,853
License fees	585,607	396,883	982,490
Telephone and telegraph	1,191,279	1,298,526	2,489,805
Travel, auto expense and allowance	340,180	479,915	820,095
Supervision and administration	8,424,975	9,406,645	17,831,620
Other expenses	4,527,716	7,751,736	12,279,452
Expenses (excluding taxes) allocated from insurance affiliate ²	7,000,619	2,899,349	9,899,968
Total non-interest expenses	\$ 62,682,371	\$ 56,315,061	\$118,997,432
Interest paid on borrowed funds	30,706,450	66,296,240	97,002,690
Total expenses before income taxes	\$ 93,388,821	\$122,611,301	\$216,000,122
Income taxes:			
(a) State	703,001	567,321	1,270,322
(b) Federal	3,596,832	790,860	4,387,692
(c) Income taxes on insurance income of affiliate	1,751,618	651,857	2,403,475
Total income taxes	\$ 6,051,451	\$ 2,010,038	\$ 8,061,489
Total expenses	<u>\$ 99,440,272</u>	<u>\$124,621,339</u>	<u>\$224,061,611</u>
Net Income (loss)	<u>\$ 10,203,322</u>	<u>\$ 7,201,900</u>	<u>\$ 17,405,222</u>

¹ Insurance income generated in consumer finance offices in Virginia through an insurance affiliate.

² Expenses of insurance affiliate allocated to insurance operations conducted in consumer finance offices in Virginia.

TOTAL INDUSTRY
INCOME STATEMENT
YEAR ENDING DECEMBER 31, 1989

	CONSUMER FINANCE BUSINESS	OTHER BUSINESS	TOTAL BUSINESS
INCOME			
Charges collected or earned	\$100,023,313	\$126,141,228	\$226,164,541
Insurance income recognized by licensee	1,914,509	707,376	2,621,885
Insurance income recognized by affiliate ¹	11,788,657	4,966,911	16,755,568
Other income	1,874,758	1,719,465	3,594,223
TOTAL INCOME	\$115,601,237	\$133,534,980	\$249,136,217
EXPENSES			
Advertising	\$ 3,257,174	\$ 2,792,032	\$ 6,049,206
Auditing	58,327	33,711	92,038
Provision for possible loan losses	18,627,062	9,168,790	27,795,852
Depreciation and amortization	804,714	1,010,170	1,814,884
Insurance and fidelity bonds	359,258	389,335	748,593
Legal fees and disbursements	296,556	585,685	882,241
Postage, printing, stationery and supplies	1,570,087	1,578,113	3,148,200
Rent, janitorial services, and utilities	3,186,156	3,094,093	6,280,249
Salaries of officers, owners and partners	1,480,015	366,766	1,846,781
Salaries of all other employees	13,330,840	14,856,923	28,187,763
Taxes (other than income)	820,668	953,525	1,774,193
License fees	605,447	398,362	1,003,809
Telephone and telegraph	1,251,994	1,318,622	2,570,616
Travel, auto expense and allowance	397,634	486,287	883,921
Supervision and administration	8,432,899	9,406,823	17,839,722
Other expenses	4,880,366	7,926,774	12,807,140
Expenses (excluding taxes) allocated from insurance affiliate ²	7,094,246	2,984,578	10,078,824
Total non-interest expenses	\$ 66,453,443	\$ 57,350,589	\$123,804,032
Interest paid on borrowed funds	32,071,620	66,861,241	98,932,861
Total expenses before income taxes	\$ 98,525,063	\$124,211,830	\$222,736,893
Income taxes:			
(a) State	738,706	567,712	1,306,418
(b) Federal	3,706,471	797,626	4,504,097
(c) Income taxes on insurance income of affiliate	1,756,559	651,857	2,408,416
Total income taxes	\$ 6,201,736	\$ 2,017,195	\$ 8,218,931
Total expenses	\$104,726,799	\$126,229,025	\$230,955,824
Net Income (loss)	\$ 10,874,438	\$ 7,305,955	\$ 18,180,393

Insurance income generated in consumer finance offices in Virginia through an insurance affiliate.

Expenses of insurance affiliate allocated to insurance operations conducted in consumer finance offices in Virginia.

CHAIN COMPANIES
INCOME STATEMENT
YEAR ENDING DECEMBER 31, 1990

	CONSUMER FINANCE BUSINESS	OTHER BUSINESS	TOTAL BUSINESS
INCOME			
Charges collected or earned	100,505,769	152,356,052	252,861,821
Insurance income recognized by licensee	1,118,583	562,072	1,680,655
Insurance income recognized by affiliate ¹	13,280,299	4,952,533	18,232,832
Other income	3,388,090	4,110,396	7,498,484
TOTAL INCOME	118,292,741	161,981,051	280,273,792
EXPENSES			
Advertising	1,388,224	2,161,827	3,550,051
Auditing	8,038	43,137	51,175
Provision for possible loan losses	20,507,596	13,683,268	34,190,864
Depreciation and amortization	1,934,188	2,086,122	4,020,310
Insurance and fidelity bonds	282,650	450,103	732,753
Legal fees and disbursements	454,408	387,623	842,031
Postage, printing, stationery and supplies	1,457,142	1,750,586	3,207,728
Rent, janitorial services, and utilities	3,369,723	3,510,977	6,880,700
Salaries of officers, owners and partners	279,058	102,311	381,369
Salaries of all other employees	13,084,919	17,439,347	30,524,266
Taxes (other than income)	729,749	991,050	1,720,799
License fees	622,201	494,729	1,116,930
Telephone and telegraph	1,274,376	1,455,010	2,729,386
Travel, auto expense and allowance	459,874	692,706	1,152,580
Supervision and administration	8,956,443	10,963,874	19,920,317
Other expenses	5,897,624	8,667,634	14,565,258
Expenses (excluding taxes) allocated from insurance affiliate ²	7,968,180	2,871,952	10,840,132
Total non-interest expenses	68,674,393	67,752,256	136,426,649
Interest paid on borrowed funds	31,718,976	80,132,206	111,851,182
Total expenses before income taxes	100,393,369	147,884,462	248,277,831
Income taxes:			
(a) State	707,175	754,485	1,461,660
(b) Federal	4,159,931	2,955,414	7,115,345
(c) Income taxes on insurance income of affiliate	1,868,483	206,564	2,075,047
Total income taxes	6,735,589	3,916,463	10,652,052
Total expenses	107,128,958	151,800,925	258,929,883
Net Income (loss)	11,163,783	10,180,126	21,343,909

¹ Insurance income generated in consumer finance offices in Virginia through an insurance affiliate.

² Expenses of insurance affiliate allocated to insurance operations conducted in consumer finance offices in Virginia.

TOTAL INDUSTRY
INCOME STATEMENT
YEAR ENDING DECEMBER 31, 1990

	CONSUMER FINANCE BUSINESS	OTHER BUSINESS	TOTAL BUSINESS
INCOME			
Charges collected or earned	105,600,184	154,340,259	259,940,443
Insurance income recognized by licensee	1,423,817	639,872	2,063,689
Insurance income recognized by affiliate ¹	13,350,037	4,952,533	18,302,570
Other income	3,637,188	4,178,515	7,815,703
TOTAL INCOME	124,011,226	164,111,179	288,122,405
EXPENSES			
Advertising	1,431,743	2,180,924	3,612,667
Auditing	54,557	52,041	106,598
Provision for possible loan losses	21,000,421	13,850,910	34,851,331
Depreciation and amortization	2,000,172	2,121,142	4,121,314
Insurance and fidelity bonds	373,610	468,336	841,946
Legal fees and disbursements	482,860	410,544	893,404
Postage, printing, stationery and supplies	1,568,286	1,797,729	3,366,015
Rent, janitorial services, and utilities	3,517,589	3,558,281	7,075,870
Salaries of officers, owners and partners	1,399,330	342,519	1,741,849
Salaries of all other employees	13,844,010	17,714,756	31,558,766
Taxes (other than income)	888,163	1,047,538	1,935,701
License fees	641,789	496,581	1,138,370
Telephone and telegraph	1,330,143	1,476,367	2,806,510
Travel, auto expense and allowance	515,836	700,903	1,216,739
Supervision and administration	8,965,221	10,964,096	19,929,317
Other expenses	6,223,691	8,887,290	15,110,981
Expenses (excluding taxes) allocated from insurance affiliate ²	8,000,525	2,871,952	10,872,477
Total non-interest expenses	72,237,946	68,941,909	141,179,855
Interest paid on borrowed funds	32,884,284	80,883,360	113,767,644
Total expenses before income taxes	105,122,230	149,825,269	254,947,499
Income taxes:			
(a) State	745,885	757,353	1,503,238
(b) Federal	4,275,312	2,967,419	7,242,731
(c) Income taxes on insurance income of affiliate	1,871,422	206,564	2,077,986
Total income taxes	6,892,619	3,931,336	10,823,955
Total expenses	112,014,849	153,756,605	265,771,454
Net Income (loss)	11,996,377	10,354,574	22,350,951

¹ Insurance income generated in consumer finance offices in Virginia through an insurance affiliate.

² Expenses of insurance affiliate allocated to insurance operations conducted in consumer finance offices in Virginia.

SELECTED FINANCIAL RATIOS
YEAR ENDED DECEMBER 31, 1989

	INDEPENDENT COMPANIES			CHAIN COMPANIES			TOTAL INDUSTRY		
	Consumer Finance Business	Other Business	Total Business	Consumer Finance Business	Other Business	Total Business	Consumer Finance Business	Other Business	Total Business
As a Percentage of Average Assets:									
Gross Income	27.49	26.12	27.17	30.00	16.91	21.08	29.86	16.99	21.23
Charges Collected or Earned	23.74	22.59	23.47	25.96	15.99	19.17	25.83	16.04	19.27
Insurance Income	2.41	2.80	2.50	3.61	0.71	1.63	3.55	0.73	1.65
Other Income	1.34	0.73	1.20	0.43	0.21	0.28	0.48	0.22	0.31
Interest Expense	6.30	8.62	6.84	8.38	8.43	8.47	8.27	8.43	8.43
Non-interest Expense	17.40	15.80	17.03	17.15	7.22	10.39	17.16	7.29	10.55
Salary Expense	8.90	5.84	8.19	3.52	1.90	2.42	3.83	1.94	2.56
Bad Debt Expense	2.10	2.08	2.10	4.97	1.16	2.38	4.81	1.17	2.37
Supervision and Administration	0.04	--	0.03	2.30	1.21	1.56	2.18	1.20	1.52
Other Non-interest Expense	6.36	7.88	6.71	6.36	2.95	4.03	6.34	2.98	4.10
Income Before Income Taxes	3.79	1.70	3.30	4.47	1.26	2.22	4.43	1.27	2.25
Income Taxes	0.69	0.11	0.56	1.65	0.26	0.70	1.60	0.25	0.70
Net Income:									
Weighted Average	3.10	1.59	2.74	2.82	1.00	1.52	2.83	1.02	1.55
Median	2.36	0.41	1.56	2.34	0.11	1.39	2.36	0.65	1.56

SELECTED FINANCIAL RATIOS
YEAR ENDED DECEMBER 31, 1990

	INDEPENDENT COMPANIES			CHAIN COMPANIES			TOTAL INDUSTRY		
	Consumer Finance Business	Other Business	Total Business	Consumer Finance Business	Other Business	Total Business	Consumer Finance Business	Other Business	Total Business
As a Percentage of Average Assets:									
Gross Income	26.54	26.35	26.48	31.85	18.37	22.37	31.56	18.45	22.46
Charges Collected or Earned	23.64	24.55	23.89	27.06	17.28	20.18	26.88	17.35	20.27
Insurance Income	1.74	0.96	1.53	3.88	0.63	1.59	3.76	0.63	1.59
Other Income	1.16	0.84	1.06	0.91	0.46	0.60	0.92	0.47	0.60
Interest Expense	5.41	9.29	6.47	8.54	9.09	8.93	8.37	9.09	8.87
Non-interest Expense	16.54	14.72	16.04	18.49	7.68	10.89	18.38	7.75	11.01
Salary Expense	8.72	6.38	8.08	3.60	1.99	2.47	3.88	2.03	2.60
Bad Debt Expense	2.29	2.07	2.23	5.52	1.55	2.73	5.34	1.56	2.72
Supervision and Administration	0.04	--	0.03	2.44	1.24	1.59	2.28	1.23	1.55
Other Non-interest Expense	5.49	6.27	5.70	6.93	2.90	4.10	6.88	2.93	4.14
Income Before Income Taxes	4.59	2.34	3.98	4.82	1.60	2.55	4.81	1.61	2.59
Income Taxes	0.73	0.18	0.58	1.81	0.44	0.85	1.75	0.44	0.84
Net Income:									
Weighted Average	3.86	2.16	3.40	3.01	1.16	1.70	3.06	1.17	1.75
Median	3.54	2.54	3.08	2.42	0.37	1.15	3.08	0.49	2.17